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7 UNITED STATES BANKRUPTCY COURT

8 FOR THE DISTRICT OF NEVADA

9 In re:

Case No.: 20-50660-gs

10 METAL RECOVERY SOLUTIONS, INC.,  
 11 aka MRS, INC,

Chapter 7 Case

12 Debtor.

**THE SEALS' OPPOSITION TO MOTION  
 TO COMPEL COMPLIANCE WITH  
 SALE ORDER**

13 Hearing Date: June 26, 2023

14 Hearing Time: 9:30 a.m.

17 Thomas Seal (“Dr. Seal”) and Jette Seal (“Mrs. Seal,” and together with Dr. Seal, “the  
 18 Seals”), by and through their counsel, Elizabeth Fletcher, Esq., Fletcher & Lee, hereby oppose  
 19 Geo-Logic Associates, Inc.’s (“GLA”) Motion to Compel Compliance with Sale Order  
 20 (“Motion”). Docket No. 330. In support of this Opposition, the Seals submit the following  
 21 memorandum of points and authorities and the papers and pleadings on file in this case and the  
 22 related adversary proceeding, of which the Seals ask the Court to take judicial notice. Fed. R.  
 23 Evid. 201.

24 Dr. Seal files this opposition for the limited purpose of correcting the record in response to  
 25 GLA’s baseless accusation that it is Dr. Seal who has caused Element Global, Inc. (the “Buyer” or  
 26 “Element”) to delay closing the sale transaction. Docket No. 330. In the Motion, GLA alleges  
 27 that the reason Element has not yet closed on the sale of the Estate’s assets in compliance with the  
 28 Court’s Order Approving Trustee’s Motion to Approve Sale of Claims and Other Bankruptcy

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1      Estate Assets (the “Sale Order”), Docket No. 317, is somehow the fault of Dr. Seal or due to a  
 2      conspiracy between Dr. Seal, Element and Jex Technologies, Inc. (“Jex”). Docket No. 330. (“At  
 3      every turn, Thom Seal and his companies MRS and Differential have sought to delay the ultimate  
 4      resolution of this matter at the expense of GLA and MRS’s other creditors. The latest delay tactics  
 5      are being carried out with the help of Element and Jex Technologies, again at the expense of GLA  
 6      and other creditors. GLA was and is fully prepared to close on its purchase of estate assets. Element  
 7      and Jex were within their rights to make *legitimate* overbids, but it is becoming apparent that  
 8      Element is unable or unwilling to close, and Jex is more than happy to just delay.”). GLA further  
 9      implies that counsel for Dr. Seal and Differential Engineering “changed position and decided they  
 10     must attend the hearing in person” merely to delay the auction. Id. None of these allegations are  
 11     true.

12        First, it is important to point out that GLA provides *zero* evidence to support its unfounded  
 13     contentions. Rather, GLA simply casts aspersions at Dr. Seal throughout its Motion without any  
 14     sort of evidentiary basis. GLA’s allegations are simply a continuation of the false representations  
 15     that have been thrown around for years by GLA in an attempt to smear Dr. Seal’s reputation.

16        With respect to the conspiracy allegation, GLA’s Motion completely ignores this Court’s  
 17     findings in the Sale Order as to the good faith nature of the sale transaction. Docket No. 317. On  
 18     April 17, 2023, this Court held an evidentiary hearing – at GLA’s insistence – to delve into whether  
 19     the sale of the Estate’s assets to Element is an arms-length transaction. The request for an  
 20     evidentiary hearing was primarily based on GLA’s suspicions that Dr. Seal had colluded with Jex  
 21     and/or Element during the sale and bidding process. GLA had suspicions *despite* the fact that  
 22     during the auction itself, GLA stopped bidding while Element and Jex/Seal bid against each other  
 23     several more times, actually *increasing* the ultimate sale price for both parties. After taking  
 24     evidence at the April 17 hearing – including the testimony of (1) Dr. Seal, (2) Steve Gagnon, the  
 25     Co-Chief Executive Officer, Chief Operating Officer and Director of Element, and (3) David  
 26     McMullin, the Chief Executive Officer of Jex – this Court concluded that there is no evidence of  
 27     collusion, that the sale is an arms-length transaction and that “Element Global, Inc., Jex  
 28     Technologies, Corp., and Dr. Seal are entitled to and granted the protections of §363(m) as good



1 faith purchasers.” Docket No. 317.

2 Second, the Trustee has exercised his reasonable business judgment to provide Element  
 3 with two short extensions of time. On June 7, 2023, the Trustee filed his Amended Notice of  
 4 Extension of Time for Empire Capital Management, LLC to Tender the \$2,500,000 Pursuant to  
 5 This Court’s May 5, 2023 Order Approving the Trustee’s Motion to Approve the Sale of Claim  
 6 sand Other Bankruptcy Estate Assets (the “Notice”), to notify the Court that Element requested,  
 7 and the Trustee granted (with conditions), two short extensions of time for Element to close the  
 8 transaction. Docket No. 329. As the Trustee stated in the Notice, he used his reasonable business  
 9 judgment to permit both extensions, requiring each time that Jex and Dr. Seal sign a document  
 10 reaffirming the requirements of the Sale Order that they are bound as back-up bidders in the event  
 11 that Element does not perform. Id. Jex and Dr. Seal signed both reaffirmations and are standing  
 12 by with funds, ready to perform. Id. Moreover, for the second extension, the Trustee required that  
 13 Element pay \$50,000, which will be applied to the purchase price upon closing and is  
 14 nonrefundable should Element fail to perform. Id. Element complied with that requirement  
 15 immediately. Id. GLA is well protected in the event that Element fails to close the transaction.

16 Finally, it should be noted that GLA appears to have manufactured this timing  
 17 “emergency.” While it is understandable that GLA would like to be paid on its claim, GLA does  
 18 not provide any reason – other than wanting to be paid and alleging paranoid conspiracies – as to  
 19 why a month-long delay is so prejudicial or so dire that it was compelled to drag all parties into  
 20 court on shortened time. There is no emergency here.

21 Based on the foregoing and any argument the Court may entertain at the hearing on the  
 22 Motion, the Seals respectfully request that the Court deny the Motion and allow Element to  
 23 perform by June 30, 2023.

24 DATED this 22nd day of June, 2023.

25 FLETCHER & LEE

26 /s/ Elizabeth Fletcher, Esq.

27 ELIZABETH FLETCHER, ESQ.

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## CERTIFICATE OF SERVICE

Pursuant to Fed. R. Civ. P. 5(b), I certify under penalty of perjury that I am an employee of Fletcher & Lee, 448 Ridge Street, Reno, Nevada 89501, and that on June 22, 2023, I served the The Seals' Opposition to Motion to Compel Compliance with Sale Order by ECF to all those persons registered with the United States Bankruptcy Court for electronic notice in this matter as follows:

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